



R/W MANUAL CHANGE
(1993 Edition)

RWMC- 165

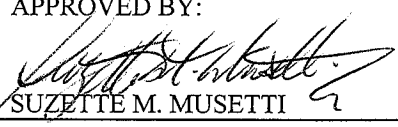


PROCEDURAL HANDBOOK
(1984 Edition)

RWPH-____-____
TRANSMITTAL#____

TITLE:
APPRAISALS

APPROVED BY:


SUZETTE M. MUSETTI

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DEC 22 2006

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SUBJECT AREA:

CHAPTER 7 - APPRAISALS

ISSUING UNIT:

OFFICE OF APPRAISALS AND LOCAL PROGRAMS

SUMMARY OF CHANGES: Revises Section 7.10.10.00, Review of Condemnation Parcels, and updates Table of Contents.

PURPOSE

This manual change revises the section of the Appraisal Chapter regarding review of condemnation parcels.

BACKGROUND

Over the past few years, judges have become more likely to reject the State's request for an Order for Possession based on old date of value information provided to them in the Appraisal Summary Statement. Eminent Domain law requires that the information contained in the Appraisal Summary Statement be provided at that time. To remedy the problem, the Appraisal function will now produce an appraisal revision at the time of condemnation upon receipt of the Confirmation of Market Value. For nonsubstantial valuation adjustments, a Memorandum of Adjustment should be used. The appraisal revision will update the date of value and provide new comparable data to support the value conclusion, whether or not the value is different from the most recent approved value.

PROCEDURES

7.10.10.00 Revises "Review of Condemnation Parcels," adding the requirement to produce an appraisal revision for all parcels going to condemnation.

EFFECTIVE DATE

Immediately.

MANUAL IMPACT

- Remove the superseded pages and insert the attached pages in the Manual.
- Record the action on the Revision Record.

REVISION SUMMARY

Chapter

Remove Old Pages

Insert New/Revised Pages

Remove the following in its entirety:

Replace with the following in its entirety:

7 - Sections

Table of Contents (REV 10/2005)
7.10.00.00 (REV 2/2004)

Table of Contents (REV 12/2006)
7.10.00.00 (REV 12/2006)

CHAPTER 7

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7.10.00.00 - REVISION AND REVIEWS

7.10.01.00 **General**

Offers may be made only on the basis of approved appraisals or authorized adjustments; therefore, it is imperative that revisions be made without undue delay.

The Region/District shall devise and maintain an efficient procedure for systematic appraisal review for “updating” of unclosed parcels in areas where significant new data is revealed.

It is the Acquisition Branch’s responsibility to develop any new data, make an investigation thereof and determine if such new data warrants further review by the Appraisal Branch. When requested, the Appraisal Branch shall investigate the new data and determine the applicability to unacquired parcels. If adjustment is not justified, the Acquisition Branch will be immediately notified.

If significant adjustment is in order, an appraisal revision will be immediately processed so negotiations may proceed without undue delay. Review will be expedited upon request.

7.10.02.00 **Changes in Unapproved Appraisals Requiring Division Approval**

If a Report is returned to the Region/District without action, or a Report is approved except for certain parcels, the Region/District will take such corrective action as necessary. A cover letter of transmittal will describe the action taken on the points raised by HQ R/W return letter.

7.10.03.00 **Changes in Approved Appraisals-Unacquired Parcels**

The contents or valuation of an unacquired parcel appraisal may be changed by one of the following methods, in accordance with current delegations:

- Revised appraisal pages.
- Revised parcel appraisal canceling and superseding an existing appraisal by inclusion in a later Report.
- Memorandum of Adjustment.

7.10.04.00 **Revised Appraisal Pages**

Parcel appraisals may be revised by revised appraisal pages for replacement in the approved Report, providing the change can be substantiated without extensive changes in supplemental appraisal pages. The following are examples of cases in which revised appraisal pages may be used:

- A. Mathematical or typographical errors.
- B. A valuation change resulting from an orderly change in price level which can be clearly supported by new comparable data and the original appraisal relied predominantly on a market approach.
- C. The change involves addition or deletion of a subparcel, or parcel split or merger with little change in value factors.

- D. The change involves addition or deletion of minor improvements without effect on the land valuation.
- E. The change involves increase or decrease in right of way requirements or excess with no significant change in damages, benefits, or construction contract work.
- F. The change involves including an alternate appraisal with little change in the valuation of the total property.
- G. The change involves parcel grouping.

7.10.04.01 **Submittal of Revised Pages**

Revised pages and maps will be submitted with a letter of transmittal detailing the changes. A change in right of way requirement or access control will be approved by the DDC-Project Development on the face of the letter of transmittal or by accompanying memorandum. Revised pages will have the word "Revised" and the date typed at the top of all pages. Revised maps, when necessary, will have only the affected parcel(s) colored and will have the word "Revised" and the date visible on the map when both opened and closed. A revised Comparable Data Map is required whenever new comparable data are used. A new Senior Field Review Certificate and a revised Certificate of Appraiser are required whenever there has been a change in the value, improvements affected, or area taken. Minor typographical corrections do not require a new Certificate.

7.10.05.00 **Revised Parcel Appraisals**

If extensive changes are required, a Revised Parcel Appraisal canceling and superseding the existing appraisal must be submitted. They will be submitted in succeeding Reports and will be complete with all necessary information and supporting data.

The Appraisal Page (Form RW 7-9) will contain a brief résumé of the reasons for the revision. At the top of the page, type the remark "Revises and Supersedes the Parcel Appraisal in Appraisal Report No. _____, Dated _____."

Revised parcels contained in a Report with other parcels will be marked "Revised" on the Parcel Summary Page and on the front cover. In addition, the front cover will show the old Appraisal Report number. Revised parcel appraisals must keep the original parcel number, except that subparcels may be added or deleted.

7.10.06.00 **Memorandum of Adjustment**

This method will be used for nonsubstantial valuation adjustments and minor variations which do not warrant Revised Appraisal Pages. The revision may be at the request of the Acquisition Branch or as a result of a subsequent appraisal or discovery of new information and data. Each Memorandum must follow the same approval process as the original appraisal. A copy of each Memorandum and the related Parcel Summary Page will be forwarded to HQ R/W.

If HQ R/W approved the original appraisal, it must approve the Memorandum. If there is not enough time for HQ R/W review and approval due to imminence of trial or possession date, the Memorandum will be prepared and submitted with a detailed discussion supporting the insufficiency of time and the need for the Memorandum. Telephone approval should be obtained and referenced in the Memorandum.

7.10.07.00 **Changes in Approved Appraisals on Acquired Parcels**

There are very few occasions where an approved appraisal can be revised after the parcel is acquired and escrow has closed. In certain instances, the Acquisition Branch may find it necessary to amend a Right of Way Contract to correct a situation discovered after close of escrow. Acquisition should direct a memo to Appraisals setting forth the reasons for the amendment and the need for a change in the approved appraisal. Appraisals will then prepare a Memorandum of Adjustment valuing the additional rights taken or damages incurred as if they were part of the original appraisal. The approval process will be the same as the original appraisal.

- A. Additional right of way over a grantor's remainder requires a new appraisal under a new parcel number in a new appraisal report. Legal advice should be obtained concerning the use of before or after condition values in the appraisal of additional requirements.
- B. If no new right of way is required, the Acquisition Branch may nonetheless find it necessary to amend a contract. In such an instance, when related to value, the Appraisal Branch shall, prior to such necessary amendment and at the request of the Acquisition Branch, prepare a Statement of Value, in the same form as a Memorandum of Adjustment, valuing the additional rights taken as part of the original appraisal. Approval of the Statement of Value will be in accordance with the existing Delegations.

7.10.08.00 **Parcel Splits and Mergers**

Splits or mergers due to change in ownership, or addition and/or cancellation of subparcels, may be submitted by Revised Appraisal Pages or Revised Parcel Appraisals, as the extent of necessary reappraisal requires. Parcel splits will comply with the following instructions:

- A. The original ownership (or one parcel) will retain the original parcel and appropriate subparcel numbers and will be identified as a revised appraisal.
- B. The new ownership will have new parcel and subparcel numbers issued. It will be considered a new appraisal.
- C. The headings of both Parcel Appraisal Pages (Form RW 7-9) will cross-reference the other parcel.
- D. Both appraisals will be submitted concurrently if Revised Appraisal Pages are used or in the same Report if submitted as Revised Parcel Appraisals.

In parcel mergers (merged after the initial appraisal), the merged parcels will be grouped under the lowest parcel number and appraised as a larger parcel. Originally assigned parcel and subparcel numbers for each parcel will be retained. The parcels will have typed in the upper margin "Revised (date), merges with Parcel _____ and supersedes the parcel appraisal in Appraisal Report No. _____ Dated _____." Revised maps are necessary showing new gross areas, vesting, and correct coloring.

7.10.09.00 **Parcel Cancellations**

Parcel appraisals may be canceled for any number of reasons. Typically, Design may change the requirements or the construction date is delayed and the project is no longer budgeted. Prior to cancellation, the Acquisition and RAP Branches must be advised and they must determine that there are no outstanding obligations to the owners or occupants of the property.

7.10.10.00 **Review of Condemnation Parcels**

Upon written request, the Appraisal Branch will investigate all new data discovered relating to condemnation parcels and will revise affected parcels.

Prior to engaging contract or staff condemnation appraisers, the Acquisition Branch will request the Appraisal Branch to make a review of a condemnation parcel and all pertinent data. Upon receipt of the Confirmation of Market Value request, the Appraisal Branch will issue an appraisal revision with a new date of value and new comparable data, if any, supporting the opinion of value as of the new date. For nonsubstantial valuation adjustments, a Memorandum of Adjustment should be used.

After engaging condemnation witnesses, the staff appraisal would not normally be revised except for mechanical changes in areas, subparcels, etc.; substantial changes in design; or protracted delays or changes in data which would normally require significant adjustments in witnesses' reports. In these latter two cases, review of the staff appraisal for revision is optional with the Region/District considering the most cost-effective approach to acquisition.

7.10.11.00 **Report Analysis for Nondelegated Parcels**

Preparation of the Report Analysis, 7-EX-18, is not delegated if the acquisition or loss of goodwill report was approved in Headquarters. The Region/District is responsible for forwarding a copy of the expert witness report to Headquarters. The appropriate Headquarters Appraisal liaison will complete the exhibit, keep the original to be filed with the corresponding staff report, and forward an electronic copy to the Region/District Supervising Acquisition Agent, with copies to the State's attorney and the Chief of the Office of Project Delivery. See Section 9.05.11.00.